period, keeping in view TFC's recommendations, States' borrowing ceilings would be determined by the Government of India under Article 293(3) of the Constitution.

(d) Government of India has formulated detailed guidelines on the Debt Consolidation and Relief Facility recommended by TFC and these have been circulated to State Governments.

Pension Scheme for commercial banks

† 865. SHRI KRIPAL PARMAR: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that Pension Scheme was introduced in the commercial banks in 1993, but owing to the provision of termination of previous services of the employees for unlawful strike, most of the bank staff turned to Provident Fund Scheme instead of the Pension Scheme;

(b) whether it is also a fact that above provision has been withdrawn from Pension Scheme Rules, but bank staff could not submit their acceptance because such option is granted only once; and

(c) if so, whether Government would consider to grant another chance to the bank staff to opt for either of the schemes?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) and (b) Pension as a second retirement benefit, in lieu of CPF, was introduced for the first time in banks pursuant to a settlement between the Indian Banks'Association, (representing the member banks) and the apex level workmen unions on 29.10.1993. In the draft regulations circulated among the employees in 1994, there was no mention regarding forfeiture of pension for participation in strike. Even then, a majority of the employees decided not to opt for pension for various other considerations. The forfeiture clause was for the first time introduced in the pension regulations notified on 29.9.1995. Many employees had exercised their option notwithstanding this forfeiture clause.

The provision relating to forfeiture of past service and consequential pension for participation in strike was later on dropped from the pension regulations. After notification of the pension scheme on 29.9.1995 by the Nationalised Banks and on 26.3.1996 by the Associate Banks of State

† Original notice of the question was received in Hindi.

Bank of India employees in service on the notified date were given an opportunity to exercise their option for pension within 120 days from the notified date.

(c) There have been demands of workmen unions/officers' associations for giving another opportunity to employees for one more option for pension. This issue was also discussed in the VIII Bipartite Settlement, but IBA expressed its inability to extend the present Pension Scheme to those who had not opted for it. However, both the parties agreed to take up alternative proposals.

Shifting from LIBOR to MIBOR

866. SHRI K. RAMA MOHANA RAO: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that RBI has directed banks, primary dealers and corporates to stop using London Inter-Bank Offer Rate (LIBOR) as the benchmark rate and opt for rupee benchmarks like Mumbai Inter-bank Offer Rate (MIBOR) for interest rate derivatives;

(b) whether it is also a fact that the existing interest rate norms were announced in 1999;and

(c) if so, the reasons for shifting from LIBOR to MIBOR?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) to (c) Yes, Sir. Keeping in view the increased debt and liquidity in the money markets following the limits placed on call money, development of inter bank term deposits, market repos, Collateralised Borrowing and Lending Obligation (CBLOs), Commercial Papers (CPs), Certificate of Deposits (CDs) and increased issuance and activity in treasury bills, Reserve Bank of India has advised banks, primary dealers and all India financial institutions *vide* its circular dated 20.05.2005 to henceforth use domestic rupee benchmarks for INR denominated interest rate derivatives which includes MIBOR. The existing guidelines on forward rate agreements/interest rate swaps were announced on July 7,1999.